

CAAAC MEETING NOTES 5/10/2011
Metcalf Building, Room 35, 10:30 a.m.

Compiled by Oline Barta

ATTENDEES: Terry Hart, *Colorado Energy Management*, Dave Galt, *Montana Petroleum Association*, Don Allen, *WETA*; Dexter Busby, *Montana Refining Co.*, Jim Parker and Gordon Criswell, *PPL Montana*, Gail Abercrombie, *Gaila Consulting*, Jeff Chaffee and Hal Robbins, *Bison Engineering*; Anne Hedges, *MEIC*, Greg Gannon, *Holcim*; Jeff Briggs, *Ash Grove Cement*; Joe Blaine and Ed Santos, *Aspen Consulting*. Go-To-Meetings attendees were: Randall Richert, *ConocoPhillips*; Greg Brown, *CHS, Inc*, Jon Madison, Abbie Krebsbach and Bruce Beiswanger, *MDU*, Thomas Dzomba, *USFS*, Kathy Dolan, *US EPA*, Russ Boschee and Clark Snyder, *Riverstone Health* and Darryl Maunder. DEQ attendees: Eric Merchant, Dan Walsh, Vickie Walsh, Dave Klemp, Chuck Homer, Bob Habeck, Deb Wolfe, Tom Livers, Dave Aguirre, John Podolinski, Gordon Higgins and Oline Barta.

I. WELCOME AND INTRODUCTIONS: Eric Merchant welcomed the group and asked participants to introduce themselves. He checked with phone attendees to identify who had joined by Go-To-Meeting.

II. LEGISLATIVE UPDATE/2011 SESSION IMPACTS: Chuck Homer addressed the group concerning impacts of legislation that came out of the 2011 Legislative Session. He said changes to MAPA rules, procedures and public information would only have minor impacts. He said SB47 removed the authority from the BER to regulate chippers and grinders and other portable equipment used in forests. Chuck said that other uses of the equipment would still be covered by the Clean Air Act (CAA) and ARMB would be contacting the 6 or 7 facilities that would be affected by this change to see if they wanted to keep their permits. He said ARMB did not expect to have to do rulemaking because of this new law which is now in effect. Chuck noted that HB593 did not pass which left Montana's Mercury Rules under ARM 17.8.771 still in effect. The first compliance determinations were due January 2011. He pointed out that EPA has also passed a utility MACT with similar provisions to regulate mercury and added that ARMB will study this new rule to check for stringency and possible conflicts with Montana's law.

Chuck Homer went on to discuss the budget. He said that state appropriations have been reduced 5% in general fund (a few thousand) and special revenues are also 5% (approximately \$180,000) less. Chuck said that ARMB has been and will continue to try to reduce expenses, but the Bureau has been getting more air quality permits lately and is now filling some permitting vacancies. He said when the emissions inventories were done, the Department would determine how much to collect. Chuck said ARMB planned to keep fees at the same level (\$38.24) even though the appropriations were down by using the balance in the fee account to make up the difference. He noted that this was the third year ARMB had avoided raising fees. He assured the group that future discussions on fees would include CAAAC. Dexter Busby asked if ARMB expected the increasing permitting workload to continue. Chuck said the workload was expected to stabilize and at least not decrease and that a new permitter has been hired and the Bureau is still recruiting.

III. NAAQS UPDATE: Eric Merchant gave a brief review of the process involving in the SO₂ NAAQS rule change. He said the Department was working on the recommendation to the Governor for the Governor's designation due June 3, 2011. Eric told the group that ARMB was still seeking CAAAC's input. He emphasized the key date in the process will be August of 2017

which is the attainment date for the revised NAAQS for unclassifiable and nonattainment areas. He explained that attainment or nonattainment areas required modeled or monitored data while unclassifiable areas lacked this data for appropriate designation. Montana, he said, has not done any modeling for designation, but has monitored data in the Billings/Laurel area that exceed the standard. Eric noted some ongoing, pending national and local SO₂-limiting programs which should help control SO₂ in the Billings/Laurel area: Consent Decrees, the Billings Federal Implementation Plan, Regional Haze FIP, Boiler MACT, Utility MACT, NSPS Sub-Part JA, EPA's Refinery Initiative and EPA's Flare Initiative. He said the question was whether the SO₂ standard would be achieved by these existing programs as they become more fully implemented. Eric stated that an unclassifiable designation may be appropriate for the Yellowstone County and the Billings Laurel area despite the fact that the area has monitored values higher than the NAAQS. Eric added that if adequate emission control programs such as those previously identified are already contained in the SIP/Clean Air Act, revisions to the SIP may be unnecessary. Eric said if the designation for the Billings area turns out to be nonattainment, the area designated would be only part of the county. He said thirteen other Montana counties have sources with significant SO₂ emissions (100 tpy or more). They would be classified as attainment or unclassifiable. He said in Rosebud County compliance has been demonstrated by monitoring. Eric said the large sources' emissions would be limited by the national control programs. He asked for questions or comments from the group.

Dexter Busby requested an explanation of the difference between unclassifiable and attainment. Eric said from a practical or permitting standpoint there is historically not much difference. Unclassifiable areas with larger sources would require a maintenance SIP by June of 2013. Asked to explain maintenance SIP, Eric said it would probably involve permitting conditions or modeling to demonstrate that the standard is being met in areas with large SO₂ point sources. Further discussion about the significance of the August 2017 date led Hal Robbins to comment that by then an attainment plan not only needed to be developed but fully implemented. Dave Klemp added that ARMB was still in the process of formulating recommendations to the Governor and is open to comment. Don Allen commented that a written proposal would be helpful to generate comments. Dave responded that the Bureau has been gathering information for the last six months, but has not come to a final conclusion. Eric noted that ARMB has its final internal meeting this coming Friday and the designation is a high priority for the Bureau with time running short. Dave Klemp pointed out that data availability has been a factor in the timeliness of the project. Dave Galt asked if the Department had a way of anticipating the effect of controls that are not yet implemented. Eric Merchant said that was a significant aspect the Department has been considering. Does the CAA already have controls in place to achieve the new SO₂ standard? Dave Klemp said that ARMB would have to make their best guess and continue gathering information as the programs were implemented. Dave Galt asked if the Department needed any information from industry. Eric thought not. Don Allan asked Kathy Dolan if the June 3, 2011 Governor's designation was the same for all states. Kathy said it was, but deadlines are sometimes moved forward. He also asked her if EPA would accept the Governor's designation. Kathy replied that headquarters has guidance procedures to follow. Eric added that EPA has until June of 2012 to make final designations. He also said if EPA disagrees with the designation, they will inform the state at least 120 days in advance of final designations so the state can provide more supporting information. Jim Parker asked if in 2012 EPA could use information from 2011. Eric said yes. Vickie Walsh commented that the data may not be available in time. Eric offered to discuss these issues further with CAAAC members.

Eric Merchant briefly updated the group on changes in other NAAQS. He said NO₂ 100ppb 1-hour standards were promulgated by EPA in January, 2010. Montana designated all 56 counties

attainment or unclassifiable in December of 2010. He said EPA's final designations would be made in February 2012. Eric mentioned a new O₃ standard was expected to be published in July 2011 while no changes will be made to the existing CO standard. He said that Montana made all designations as attainment or unclassifiable for the 2008 Pb standards last July and expects EPA to make final designations this fall. He said, concerning monitoring thresholds, EPA has identified PPL Colstrip as a potential significant source of Pb with a potential to emit exceeding the monitoring threshold of 0.5 ton/yr. He said the Bureau has been evaluating this situation and discussing it with EPA and PPL. Eric offered to share a timeline for primary and secondary NAAQS with the CAAAC. Don Allen asked if it could be posted to the website. Eric thought it might already be contained in a CAAAC presentation, but could be posted separately. Dave Klemp added a final comment that these changes in NAAQS create time demands on ARMB staff. He noted that different pollutants required different demonstrations and thought that modeling would be used in demonstrations more frequently.

IV. RULEMAKING: Deb Wolfe said that the Open Burning and Revocation Rules were now final and the NSR / 2006 PM_{2.5} NAAQS Implementation rule would be initiated by the BER this coming Friday. She stated the next annual Incorporation by Reference (IBR) rulemaking would be initiated either in July or September. Ann Hedges asked if the state proposed rules were identical to EPA's. Deb responded that they were substantially the same. Further discussion brought out the Department's program was more stringent than EPA's and that ARMB's intent was the same as EPA's.

V. SIP ISSUES / ACTIONS: Deb Wolfe asked Kathy Dolan about the status of the SIP approval of the De Minimis Rule. Kathy responded that something was causing a "hang up". Deb moved on to the Ozone SIP adequacy. She said EPA wanted Montana to conform its PSD / NSR program to the 1997 Ozone NAAQS implementation rules. She thought the Ozone NAAQS would apply only in areas of non-attainment. Deb then discussed the withdrawal of the SIP submissions. She said this was done, as in the case with the oil and gas registration rule, in order to change the rule into something better that would be more acceptable to EPA. Dave Galt asked what the schedule was for the new oil and gas registration rule. Dave Klemp said ARMB was working with EPA and thought the rule would be ready in 4 or 5 months. Deb said that withdrawing a SIP Submission gave EPA some breathing space and the Bureau a chance to draft a "110(l) Analysis" demonstrating that the rules will not adversely affect the NAAQS. Dave Klemp added EPA has to act on SIP submissions. He said a SIP disapproval does not nullify the statute. He suggested having SIP actions as a regular agenda item may help the ARMB prioritize and more efficiently conduct SIP actions. Anne Hedges asked how other states handle these workloads. Dave responded that other states have different permitting situations; they are similar but not identical; some have more planning staff than Montana does. Eric thought that resource allocation and priority setting was necessary in other states too.

VI. ARMB PROGRAM UPDATES: Dave Klemp said he would like the CAAAC to hear Section leaders tell a little about their updates and current workload to help members understand the impact of the different sections on their facilities.

- **COMPLIANCE:** Dan Walsh announced that Debbie Skibicki had moved from Permitting into the Compliance Section. Besides acting as a compliance inspector, she will act as a regulatory analyst dealing with utility and boiler MACT issues and researching federal regulations. He said that ARMB has three compliance officers in Billings and one in both Butte and Missoula. Dan said the Department was looking into a request from industry to discontinue a compliance test when a problem is discovered once the test has started, fix the problem and then retest. He said this would change the representativeness of the test and that problem is being examined. Dan said the online emission inventories were going well. ARMB planned to

improve the system with the help of industry comments. Asked if the changes were online for the public, Dan said not yet, but by early fall he would report to CAAAC. He added this was the time of year when most of his staff was out in the field doing inspections.

- **REGISTRATION:** Dave Aguirre stated that his section now had approximately 975 facilities. He said that his staff would be attending the Montana Petroleum Association meeting in Billings soon. They would update MPA on the Oil & Gas Registration SIP and discuss how the registration program has improved and where further improvements are needed. Dave noted that all registered facilities used the electronic emissions reporting system successfully and provided good feedback. He said his staff was starting to get out in the field. This is their 4th year. Their goal is to inspect 15% of the facilities each year.

- **AIR MONITORING AND DATA MANAGEMENT:** Bob Habeck, Program Manager, for both sections updated the group on air monitoring and data management activities. He said that both these sections are generally in the background. He said Linda Glatz, Data Management Section leader, has done a great job in bringing about online emission inventory reporting, helping facilities deal with technical problems and is now doing efficiency upgrades to the process. He said Linda and her staff were now working on creating one data base to make compliance information more quickly accessible to the Bureau.

Bob Habeck said the Air Monitoring section was separated from ARMB in 1995 and reintegrated during the last few years. He said that air monitoring was very important to ARMB activities and the Bureau was fortunate to have Hoby Rash as the section supervisor. ARMB is working to improve efficiency. Bob thought this may involve cutting back on some of the monitoring network currently in place, e.g. CO monitors have consistently shown results well below the standard for some time. Bob said another issue was lead. EPA may provide funds for lead monitoring. ARMB has been working with sources to examine data and will be including the CAAAC in future discussions. Gail Abercrombie asked if there have been improvements in monitoring technology. Bob thought that continuous monitoring has been increased while filter-base monitoring has decreased. He said that the continuous monitoring was less labor intensive. Hal Robbins added some comments concerning speed versus costs. He thought filter data was best for providing background data. Bob said that with the newer more-portable technologies, specific airsheds like the Bitterroot or Seeley Lake can be examined with much less effort and expense. Jim Parker asked how the compliance data was coordinated and where it resided. Dan Walsh said that Data Management was more involved this year than it will be in the future. He said that the data resided within the Bureau and is accessible to staff. It becomes more useful as it is finalized through QA and QC. Chuck Homer noted this was an integrated system within the Department working through IT.

- **POLICY AND PLANNING:** Eric Merchant said that his Policy and Planning Section provided services for the other sections of the Bureau. He said today's agenda predominately featured their activities: implementation of new Federal rules, Administrative Rule changes, and SIP actions. He said his group can provide information concerning air quality and various pollutant levels in different areas of the state. Policy and Planning, he said, is also responsible for quality assurance and quality control of the Air Monitoring program data. Eric added that his group is the primary contact for the local air quality control programs.

- **PERMITTING:** Vickie Walsh updated attendees on permitting section changes. She said on the federal level nothing has changed in past year. She noted a minor update concerning the GHG rule: as of July 1, 2011, PSD changes would include GHG as its own individual pollutant. She commented that Debbie Skibicki will be missed in the permitting section where her knowledge of federal programs is an important asset. Vickie also noted that permitting activity was increasing. She mentioned that permittees were also getting involved in electronic data management which made information more efficiently accessible. She said

Permitting was in the process of hiring more engineers and that one new permitter has started employment with the permitting section in the past 6 months.

Dave Klemp said that the section information further answers the question about handling workloads. He added that as a Bureau ARMB has to do things better, smarter, and faster without compromising quality. He noted that the Bureau has an ongoing strategic plan and asked for help from the CAAAC identifying possible efficiency improvements in Bureau operations and efforts to meet standards

Dave Galt asked about the intern program. Dan Walsh responded that the program has worked out very well; one of the first interns, Karen Gillespie is now working for the compliance section. Dave Galt asked if the initial contact for the program would have to be in Butte. Dave Klemp replied that an intern would not necessarily have to start in the Butte office, but it works well to coordinate with the University there.

VII. ADDITIONAL BUSINESS: Eric Merchant asked for further questions or comments. He suggested September for the next meeting. Discussion ensued as to the dates to avoid. Vickie Walsh encouraged CAAAC members to contact Eric with topics of interest. Eric thanked attendees for coming or attending by phone and said the meeting was an important process for ARMB.